



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture

NOVEMBER 23, 1998


Billion Dollar Maritime Tax Has Groups In An Uproar. Last week, Rodney Slater, Secretary of Transportation, met with a group of 150 public officials and maritime industry lobbyists for a brainstorming session. At the end of this 3-day retreat, they concluded that the Clinton Administration should re-evaluate its plan for an unpopular \$1 billion-a-year maritime tax. A report issued by the group recommended that the United States establish a new forum "of government and private industry specifically to develop recommendations for funding" and that the Government "pull together research on alternative funding mechanisms--'best practices' worldwide. Joseph Westphal, Assistant Secretary of the Army for Civil Works and the Administration's point man on the harbor tax issue, indicated that only minor modifications to the tax plan are being considered. One change that is being considered is how the assessment on ships will be calculated under the proposed tax. The issue is expected to come to a head next year as Congress faces a looming battle over legislation needed to replace the 12-year-old harbor maintenance tax, a portion of which was struck down in a Supreme Court ruling in March. The tax has been the chief funding mechanism for routine channel maintenance dredging at the Nation's ports. The Clinton's Administration's plan is to impose the new \$1 billion-a-year tax on ships to pay for the dredging, channel deepening, and other port improvements. (*Traffic World*)

Surface Transportation Board - Down to One Member. Gus Owens, Commissioner of the Surface Transportation Board, plans to leave the Board December 31, 1998, leaving agency with a single member, Chairperson Linda Morgan. The seat once held by Jake Simmons has been vacant since January 1, 1997. This three-person agency is expected to gain two commissioners early next year--Mississippi highway official Wayne Burkes and William Clyburn, nephew of Congressman James Clyburn, Democrat, South Carolina. (*Traffic World*)

Cargill-Continental Deal Eyed Closely by U.S. Barge Industry. Cargill Inc.'s plan to buy the global grain business of its arch-rival Continental Grain Co. has raised questions in the barge industry on how Cargill will handle Continental's transport needs on the U.S. river system. As the Government weighs plans to review the deal for antitrust dangers, grain transportation specialists wonder if the deal will force Cargill to make more acquisitions soon--such as another barge fleet. Minneapolis-based Cargill already has a large barge fleet of its own, consisting of approximately 1,200 covered grain barges that can each carry up to 1,700 short tons of grain, barge industry sources said. Barge industry sources note that Continental sold off its barge fleet in 1995. Since then, the company has met most of its freight needs through a lease contract with top barge operator American Commercial Barge Line (ACBL), a tow and barge unit of privately owned American Commercial Lines LLC. In addition to obtaining the global grain storage, transportation, export, and trading operations of New York-based Continental, Cargill will also acquire at least 65 U.S. elevators, including 27 barge-loading river elevators and 6 port elevators. (*Reuters*)

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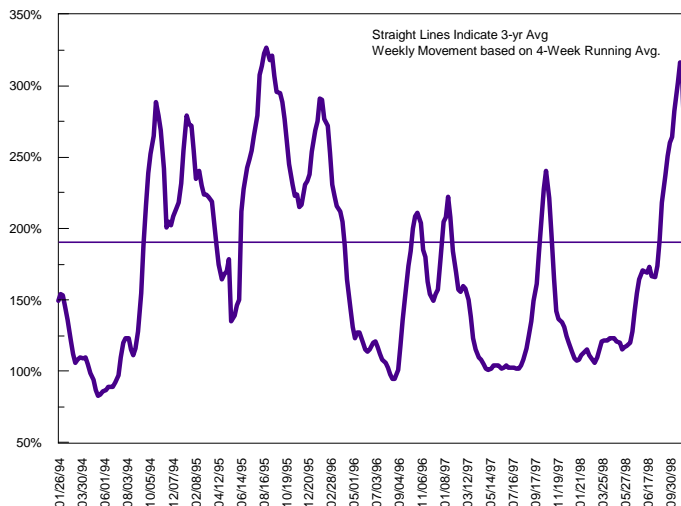


Futures:

			11/20/98	Week Ago 11/13/98	Year Ago 11/21/97
Kansas City	Wht	Dec	3.2000	3.2325	3.5325
Minneapolis	Wht	Dec	3.7675	3.6800	3.7475
Minneapolis	Dur	Dec	4.1700	4.1950	n.a.
Chicago	Wht	Dec	2.8550	2.8750	3.4325
Chicago	Corn	Dec	2.2000	2.2050	2.7550
Chicago	Sybn	Jan	5.8050	5.7100	7.0850



Index - Percent of Tariff Rate



See the Grain Trax page at www.ugpti.org for more graphs of rail premiums.

Rail Car 'Auction' Offerings				
Delivery for:	Dec-98		Feb-99	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
BNSF-COT	5,350	89%	5,158	8%
UP-GCAS	5,000	69%	5,000	6%
Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com				

Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

		Delivery Period		
		Dec-98	Jan-99	Feb-99
BNSF-COT	no offer	\$0	\$(12)	\$(24)
CP-GEEP	\$11	\$0	\$0	\$0
UP-Pool	\$0	\$8	\$9	\$9

Source: T&M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;

GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Dec-98	Feb-99	Mar-99
COT/N. Grain	sold out	no bid	no bid
COT/S. Grain	sold out	no bid	\$(288)
GCAS/Region 2	no bid	no bid	no bid
GCAS/Region 4	no bid	no bid	no bid

Source: T&M/AMS/USDA. Data from www.bnsf.com, www.uprr.com,
(COT=Certificate of Transportation; GCAS=Grain Car Allocation System)**Southbound Barge Freight Nominal Values***

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate
11/20/98	St Paul-Savage	twk	250
	Mid Miss	twk	200
	Upper Ohio	Dec.	155

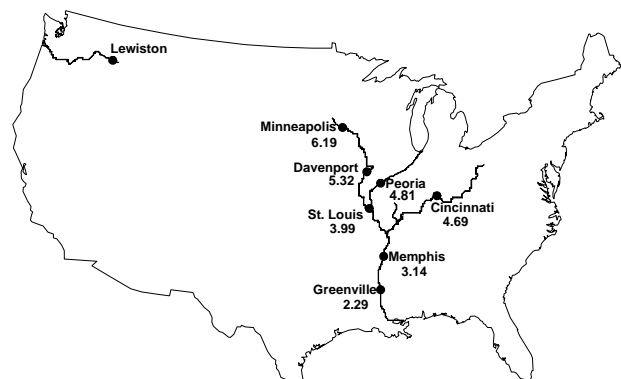
Summary Of Daily Barge Trades Reported To St. Louis Merchants Exchange.

twk=this week

nwk=next week

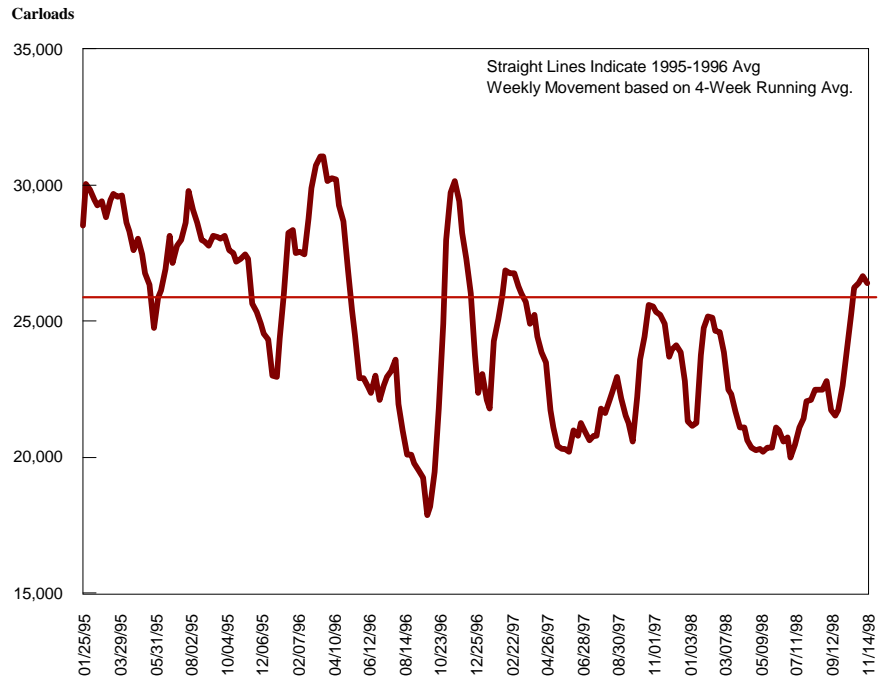
Southbound Barge Freight Spot Rates

	11/18/98	11/11/98	Dec. '98	Jan. '98
Twin Cities	270	275	nq	nq
Mid-Mississippi	228	247	nq	nq
Illinois River	231	233	173	184
St. Louis-Cairo	143	138	153	122
Lower Ohio	157	145	153	137
Cairo-Memphis	133	128	121	116

Source: Transportation & Marketing /AMS/USDA
nq- no quote**Barge Benchmark Tariff Rates
Est. 1976 - 'Tariff No. 7'**

Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
10/30/98	27,527
11/07/98	26,070
11/14/98	25,804
Year to Date - 1998	993,778
Year to Date - 1997	1,016,983
Total 1997	1,199,995
Total 1996	1,235,123
Source: American Association of Railroads	



Class I Rail Carrier Grain Car Bulletin

Carloads

Carloads									
			East		West			Canada	
	Conrail	CSXT	IC	NS	BNSF	KCS	UP	CN	CP
11/14/98	1,632	2,998	1,325	3,157	9,178	614	6,900	2,617	3,898
This Week Last Year	1,254	3,383	1,712	3,311	8,475	724	6,104	3,552	5,439
1998 YTD	34,855	108,814	68,046	114,495	369,832	30,063	293,477	99,449	188,791
1997 YTD	24,062	97,929	70,783	105,553	372,083	29,885	335,271	149,435	236,848
1996 Total	31,733	111,509	48,695	131,568	432,687	30,009	439,865	129,714	181,387
1995 Total	37,851	133,755	61,612	139,043	410,274	34,393	447,786		

Source: American Association of Railroads

Tariff Rail Rates for Unit Train Shipments

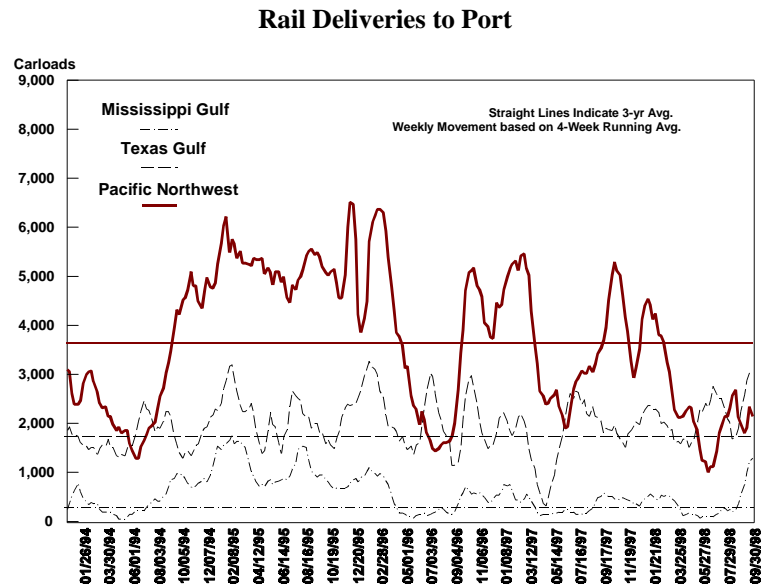
November 1998

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
11/01/98	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$18.60	\$0.62
11/01/98	43521	Wheat	Minneapolis, MN	Portland, OR	\$4,027	\$36.54	\$1.21
11/01/98	46540	Wheat	Kansas City, MO	Houston, TX	\$1,650	\$14.97	\$0.50
11/01/98	43586	Wheat	Kansas City, MO	Portland, OR	\$4,012	\$36.41	\$1.20
11/01/98	43581	Wheat	Omaha, NE	Portland, OR	\$3,905	\$35.44	\$1.17
11/01/98	31040	Corn	Minneapolis, MN	Portland, OR	\$2,865	\$22.87	\$0.80
11/01/98	31035	Corn	Kansas City, MO	Portland, OR	\$3,100	\$24.74	\$0.87
11/01/98	31040	Corn	Omaha, NE	Portland, OR	\$2,485	\$19.83	\$0.70
11/01/98	61180	Soybean	Minneapolis, MN	Portland, OR	\$3,330	\$30.22	\$1.00
11/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$3,030	\$27.50	\$0.91
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

Source: www.bnsf.com

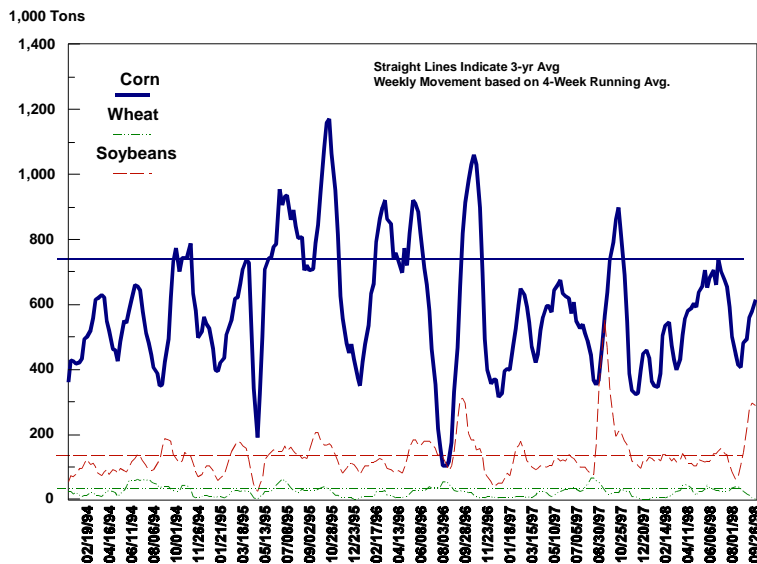
Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

Rail Deliveries to Port *Carloads				
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
10/07/98	527	2,239	2,915	262
10/14/98	1,058	2,935	2,510	452
10/21/98	1,117	3,094	2,302	468
10/28/98	1,305	3,330	2,571	900
11/04/98	1,492	2,778	2,060	600
11/11/98	1,323	2,822	1,721	189
YTD 1998	18,631	97,940	113,428	9,645
YTD 1997	16,951	80,797	165,352	7,287
Total 1997	20,152	93,265	195,953	9,147
Total 1996	25,899	113,804	199,709	11,304
Source: Transportation & Marketing/AMS/USDA				



*Note: Data prior to 10/28/98 has been revised. More recent data has been estimated.

Barge Movements - Locks 27



Barge Grain Movements

for week ending 11/14/98

	Corn	Wht	Sybn	Total
1,000 Tons				
Mississippi River				
Rock Island, IL (L15)	366	3	87	457
Winfield, MO (L25)	472	0	118	591
Alton, IL (L26)	781	0	172	955
Granite City, IL (L27)	774	5	184	959
Illinois River (L8)	172	0	14	186
Ohio (L52)	47	3	11	121
Arkansas (L1)	0	7	6	22
1998 YTD	25,496	2,226	7,436	37,837
1997 YTD	25,390	2,435	8,106	38,901
Total 1997	29,685	2,689	9,584	45,315
Total 1996	34,210	2,348	8,297	48,963

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.

Source: U.S. Army Corp of Engineers

U.S. Export Balances* (1,000 Metric Tons)

	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	<u>Wheat</u> <i>SWW</i>	<i>DUR</i>	<i>All</i>	<u>Corn</u>	<u>Soybean</u>	<u>Total</u>
<u>Unshipped Exports-Crop Year</u>									
11/12/98	1,361	235	1,095	978	194	3,862	8,718	5,366	17,946
This Week Year Ago	1,619	509	985	565	320	3,996	7,810	7,099	18,905
<u>Cumulative Exports-Crop Year</u>									
98/99 YTD	5,307	1,060	3,013	2,768	419	12,567	8,315	5,734	26,616
97/98 YTD	4,881	3,118	3,102	2,647	636	14,384	7,846	7,377	29,607
96/97 Total	2,595	1,643	1,432	1,240	361	7,271	43,991	24,273	75,535
95/96 Total	9,867	6,792	8,918	6,443	897	32,917	55,769	23,550	112,236

Source: Foreign Agricultural Service YTD-Year-to-Date (fas.usda.gov) Crop Year: Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31

Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
11/19/98	269	188	0	117	635	435	109	24	106
1998 YTD **	9,184	3,981	622	4,635	26,596	12,288	6,447	480	1,175
1997 YTD **	9,979	8,891	1,601	5,788	25,515	15,664	4,583	989	826
% of Last Year	92%	45%	39%	80%	104%	78%	141%	49%	142%
1997 Total	11,156	9,728	1,764	6,349	28,183	18,658	5,106	1,001	1,014

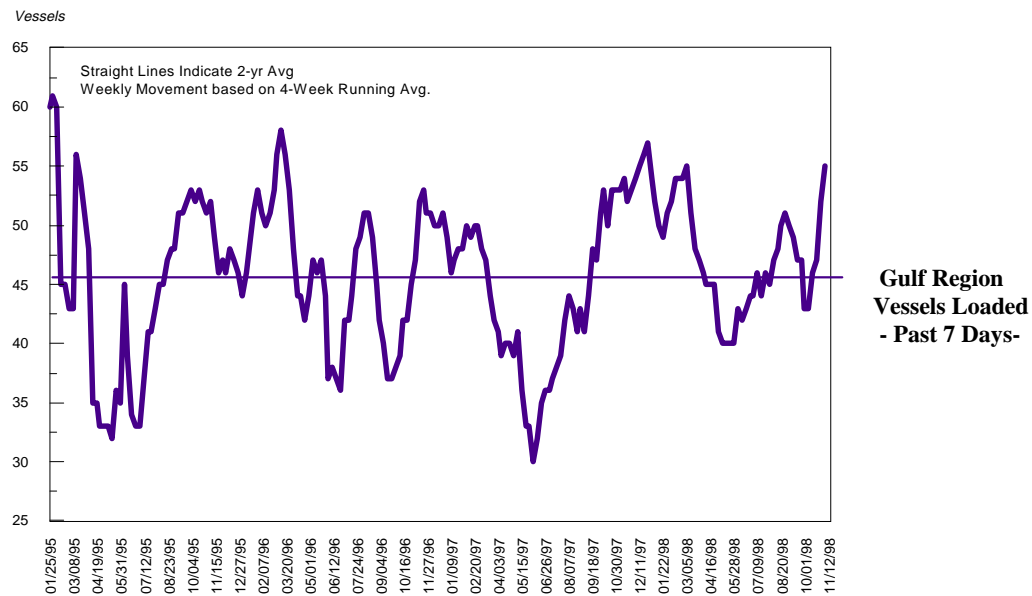
Source: Federal Grain Inspection Service *Year Ago-This Week a Year Ago ** YTD-Year-to-Date

Select Canadian Ports - Export Inspections

1,000 Metric Tons, Crop Year

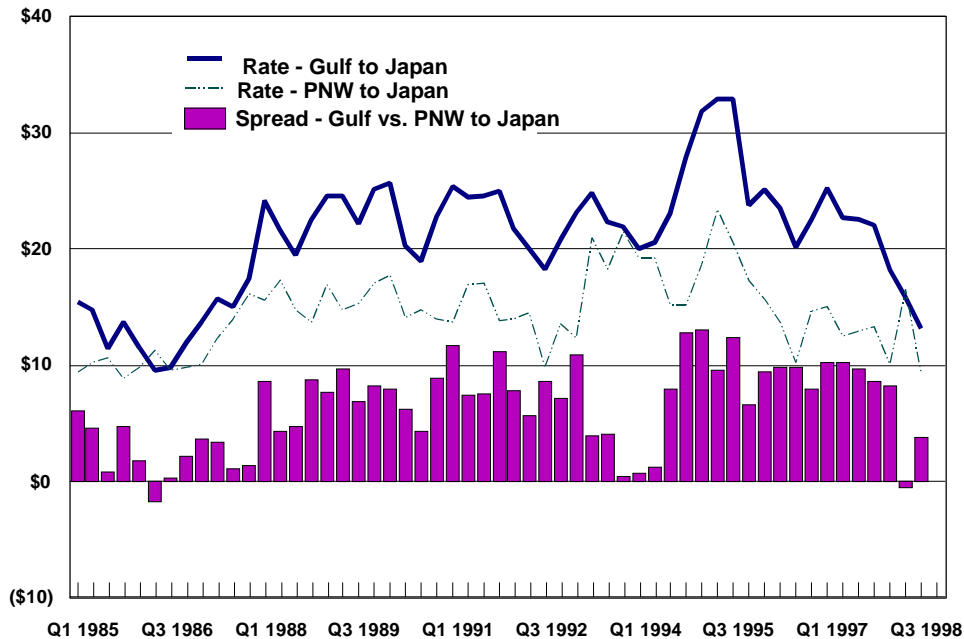
	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 11/18/98			
Vancouver	1,591	193	76
Prince Rupert	177	0	0
Prairie Direct	165	94	99
Thunder Bay	223	72	54
St. Lawrence	667	493	0
1998 YTD Exports	3,131	861	229
1997 YTD Exports	5,717	1,126	807
% of Last Year	55%	76%	28%

Source: Canadian Grains Commission *Year Ago-This Week a Year Ago ** YTD-Year-to-Date Crop Year 8/1-7/31



Port Region Ocean Grain Vessels									
	Gulf			Pacific Northwest			Vancouver, B.C.		
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days
11/19/98	39	55	76	13			19	11	1
11/12/98	47	62	66	15			18	9	2
1997 Range	(11..52)	(25..61)	(31..89)						
1996 Range	(17..46)	(38..61)	(27..88)						
1997 Avg	33	45	58						
1996 Avg	38	46	62						
1995 Avg	31	45	60						
Source: Transportation & Marketing /AMS/ USDA									

US\$/Metric Ton



Quarterly Ocean Freight Rates

Quarterly Ocean Freight Rates

Weighted Average Rates & Vessel Size, U.S. Dollars/Metric Ton - Basis

	1998 3 rd Qtr	1997 3 rd Qtr	% Change		1998 3 rd Qtr	1997 3 rd Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$13.17	\$22.55	-42%	Japan	\$9.35	\$12.92	-28%
Mexico	\$16.33	\$14.47	13%	Red Sea/ Arabian Sea		\$19.23	
Venezuela	\$10.30	\$13.78	-25%				
N. Europe	\$8.85	\$13.23	-33%	Argentina to			
N. Africa	\$13.87	\$15.44	-10%	N. Europe	\$12.15	\$14.83	-18%
				Japan	\$16.21	\$25.56	-37%

Source: Transportation & Marketing/AMS/USDA

Ocean Freight Rates

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Baie Comeau (Canada)	So. Korea	Heavy Grain	Nov/Dec	52,000	\$12.00
Gulf	Ireland	Grains	December	24,000	\$13.00
Gulf	Rotterdam	Grains	Nov/Dec	50,000	\$9.00
Gulf	Italy	Wheat	December	12,000	\$16.25
Gulf	Taiwan	Heavy Grain	December	54,000	\$13.00
Gulf	So. Korea	Heavy Grain	November	52,000	\$12.85
Gulf	Japan	Heavy Grain	Nov/Dec	54,000	\$13.45-13.50
Rouen (France)	Bangladesh	Wheat	November	23,575	\$21.50

Source: Maritime Research Inc.